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and the Debtor-in-Possession

UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
PARTSEARCH TECHNOLOGIES, INC.,[1]	)	Case No. 11-_______
Debtor	)	

AFFIDAVIT OF LAWTON W. BLOOM IN SUPPORT OF FIRST DAY MOTIONS PURSUANT TO LOCAL BANKRUPTCY RULE 1007-2

STATE OF NEW YORK	)	
	)	ss.:
COUNTY OF NEW YORK	)	

LAWTON W. BLOOM, being duly sworn deposes and says:

1. I am the Chief Restructuring Officer of Partsearch Technologies, Inc. ("Partsearch", the "Company" or the "Debtor"). I have been retained in this role in conjunction with this chapter 11 case (the "Case" or the "Chapter 11 Case") in order to effectuate the sale of substantially all of the Debtor's assets and to otherwise effectuate the efficient and orderly wind-down of the Debtor's business and liquidation of its assets. In addition, and prior to the Chapter 11 Petition Date (as defined below), I served as Interim Chief Restructuring Officer for the

[1] The Debtor's last four digits of its taxpayer identification number is 5335. Partsearch Technologies, Inc. is a Delaware corporation qualified to do business in the State of New York.

Company in charge of: (i) supervision of all operational and financial aspects of the Company's business; (ii) assessing the viability of the Company; and (iii) working towards the sale of substantially all of the Company's assets and related operations.

2. I am also a principal of Argus Management Corporation ("Argus"). For over thirty years, Argus has provided interim management and advisory services to companies dealing with significant financial and operational issues. In that regard, Argus' areas of expertise and services provided include: (i) interim management, (ii) profit improvement, (iii) investment banking, (iv) crisis and turnaround management, (v) cash management, (vi) acquisition and merger support, (vii) information technology support, (viii) litigation support, (ix) arbitration/mediation, (x) bankruptcy, reorganization and trustee services, (xi) liquidation, wind-down and asset recovery services, (xii) SEC reporting and compliance and (xiii) financial advisory. Specifically, I have focused on focused on interim management, turnaround and financial advisory services engagements and asset divestitures at Argus since 1999. I have worked in a variety of industries including construction, manufacturing, publishing, debt collections, telecommunications, and industrial contracting.

3. On the date hereof (the "Chapter 11 Petition Date"), the Debtor filed with this Court a voluntary petition for relief (the "Chapter 11 Petition") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), as well as certain motions and other pleadings (the "First Day Pleadings") and a proposed plan of liquidation (the "Plan"). I am authorized by the Debtor to submit this affidavit on its behalf in support of the First Day Pleadings (the "Affidavit"). Also on the date hereof, prior to filing the Chapter 11 Petition, I learned that certain unsecured creditors of the Debtor filed an involuntary petition against the Debtor under chapter 7 of the Bankruptcy Code with this Court on January 25, 2011, designated as Case No.

11-10261-MG.

4. In my capacity as Chief Restructuring Officer of the Company, I am familiar with the Debtor's administrative operations, financial condition, business affairs and books and records. Except as otherwise indicated, all facts set forth in this Affidavit are based upon (i) my personal knowledge, (ii) my review of relevant documents, (iii) information supplied to me by other members of the Debtor's management team or professionals retained by the Debtor, or (iv) my opinion based upon my experience and knowledge of the Debtor's administrative operations and financial condition. If called upon, I could and would testify competently to the facts set forth herein.

5. Part I of this Affidavit provides a history and overview of the Debtor's business. Part II provides a description of the Debtor's capital structure. Part III provides a discussion of the events that compelled the commencement of the Chapter 11 Case. Part IV describes the efforts undertaken by the Debtor to effectuate a sale of substantially all of the Company's assets. Part V affirms and incorporates the facts that support the relief requested in the First Day Pleadings, including the immediate and irreparable harm that would result if the Debtor was unable to immediately implement certain relief sought in the First Day Pleadings. Part VI sets forth certain information required under Local Bankruptcy Rule for the Southern District of New York (the "Local Bankruptcy Rules") 1007-2.

I.
History and Overview of the Debtor's Business

6. The Debtor is a Delaware corporation qualified to do business in the State of New York. The Debtor maintains its company headquarters in New York, New York and has an office in Kingston, New York (the "Kingston Office") where its finance and customer service departments are located.

7. The Debtor, established in 2000, began as a one stop shop for parts for electronics, appliances and other items, offering repair technicians and consumers a single place to find obscure parts and commonly lost items such as batteries. More specifically, the Debtor supplied parts for products in many categories, including consumer electronics, appliances, computers, wireless products and outdoor power equipment. The Debtor offered both replacement parts for popular consumer items, such as AC adapters, chargers, batteries and various cords and cables, as well as service parts for larger items, including circuit boards and regulators for refrigerators and laundry equipment. The Debtor supplied parts for various well-known brands including Sony, Whirlpool, Samsung, Yamaha, RCA, General Electric and Maytag.

8. The Debtor's business model allowed it to provide such replacement parts to its customers without having to hold inventory, which was instead held by the Debtor's suppliers, thereby revolutionizing online distribution services.

9. The Debtor also contracted with major retailers such as Best Buy Co., Inc. ("Best Buy") to offer customer support services. As parts-related customer service calls came into such retailers, they were routed to the Debtor's call center.

10. In addition to its relationship with Best Buy, the Debtor operated multiple other co-branded websites with various retailers and its own business-to-customer website, www.Partstore.com (the "Website"). The Website eventually became the industry's largest online source for a variety of replacement parts. The Website was used by various types of customers including individual consumers, retailers, commercial accounts, and service/repair companies.

II.
Debtor's Capital Structure

11. The Debtor's primary liabilities, totaling approximately $13 million[2] in the aggregate as of the Chapter 11 Petition Date, are all unsecured and consist of the following: (i) certain liabilities totaling approximately $5.9 million[3] (the "Best Buy Claims") arising under the Services Agreement dated as of July 24, 2009 by and between the Debtor and Best Buy Enterprise Services, Inc. and that certain Agreement, dated as of December 3, 2010, between the Debtor and Best Buy Co. Inc. (the "BB Agreement"); (ii) certain, contingent, disputed and unliquidated claims arising under a class action lawsuit filed on November 24, 2010 in the District Court for the Southern District of New York alleging a violation of the New York State Worker Adjustment and Retraining Notification Act (the "WARN Act"), alleging an unliquidated amount of damages (the "WARN Act Lawsuit", and such alleged damages, the "WARN Act Claims"); and (iii) certain accounts payable and other accrued liabilities relating primarily to vendor claims totaling approximately $7,000,000 (the "Vendor Claims"[4] and together with the Best Buy Claims, the WARN Act Claims, and the Vendor Claims, the "Unsecured Claims").

III.
Events Leading to the Commencement of the Chapter 11 Case and the Debtor's Chapter 11 Plan and Strategy

A. The Debtor's Historical Relationship With Best Buy

12. Best Buy, formerly the Debtor's largest customer, became a customer in 2001 and an equity investor on October 26, 2001 (ultimately owning a total of less than seven (7) percent

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[2] This estimate is subject to adjustment due to the contingent, disputed and unliquidated nature of certain claims and the possibility of the assertion of additional claims not currently known by the Debtor.

[3] Best Buy has indicated to the Debtor that it disputes the amount of the Best Buy Claims.

[4] The Vendor Claims include certain claims brought pursuant to a lawsuit filed against the Debtor in the City of Kingston, State of New York, on or around December 20, 2010, by Global Transol, LLC, seeking $7,613.23 in damages relating to purported unpaid vendor invoices.

of the Debtor's common stock). The Debtor supported Best Buy's customers by operating a customer service call center (the "Service Center") and providing replacement parts to Best Buy customers through Best Buy's extended warranty program.

13. The Debtor also operated a co-branded website with Best Buy. Best Buy represented approximately fifty (50) percent of the Debtor's annual revenue.

14. In or about mid-August 2010, the Debtor identified discrepancies in its invoicing of Best Buy. The Debtor's Board of Directors immediately retained a leading law firm, Wilson, Sonsini, Goodrich & Rosati ("WSGR") to conduct an investigation into the discrepancies. By early September 2010, the Debtor determined that it likely had over-invoiced Best Buy over a period of years by millions of dollars.

15. On September 9, 2010, the Debtor's Chief Financial Officer Robert McMullan ("McMullan") and Chief Executive Officer Ronald Totaro ("Totaro") traveled to Minnesota to personally meet with Best Buy to inform them of the discovery of the invoicing issue and to discuss a plan to remedy the problem and repay any historic overcharges. During the meeting, Totaro informed Best Buy that the Debtor intended to rectify the problem, repay any amounts owed and take any necessary steps to maintain the relationship, including cooperating with an audit by Best Buy of the Debtor's invoicing activities.

16. Following the September 9 meeting, Best Buy initiated its audit, and the Debtor worked cooperatively with Best Buy to provide it with access to the Debtor's books and records relating to the invoicing issues. During this time, Best Buy continued its business with the Debtor at levels consistent with the parties' nine (9) year business relationship. In addition, the Debtor and Best Buy continued discussions concerning pricing for 2010 and 2011.

17. By September 27, 2010, the Debtor had corrected the inaccuracies in its invoicing

process and sent Best Buy a revised invoice for unpaid services and parts. Historically, the Debtor invoiced Best Buy weekly, which Best Buy paid on a thirty (30) day term. Based upon its ongoing discussions with Best Buy and historical practice, the Debtor expected the revised invoices to be paid in due course.

18. On October 22, 2010, during a meeting among the Debtor, its attorneys at WSGR and Best Buy and its attorneys to discuss a settlement of the amounts due to Best Buy relating to the invoicing issues, Best Buy advised the Debtor that it did not intend to pay the Debtor's outstanding invoices or any future invoices until its audit was complete. Then, on the evening of October 29, 2010, without advance notice to the Debtor, Best Buy effectively terminated its relationship with the Debtor by, among other things, re-directing calls to the Service Center to another location, disabling the links to the co-branded website, and stopping the placement of orders from Best Buy stores with the Company.

B. Post-Termination Efforts to Save the Company

19. Immediately upon learning of Best Buy's termination of its relationship with the Debtor, the Debtor's management and Board members began around-the-clock discussions regarding the future of the business. On November 1, 2010, the Debtor hired Brown Rudnick LLP ("Brown Rudnick") as crisis management counsel. On November 3, 2010, the Debtor hired Argus to provide interim management and advisory services.

20. On November 1, 2010, the Debtor's Board of Directors met and concluded that the Company was not viable without Best Buy's business. Immediately following the meeting, a Board member unsuccessfully attempted to re-engage with Best Buy. Later that afternoon, the Debtor's employees were informed that Best Buy had terminated its relationship with the Debtor. Each employee also received a WARN notice that same day.

21. On November 2, 2010, the Debtor determined that Best Buy was not going to re-engage the Company on negotiations regarding its termination. As a result, the Debtor was forced to lay off all but ten employees and cease operations. All employees were paid through November 15, 2010.

22. Since November 2, 2010, the Debtor has recommenced limited operations, including the Website, in order to preserve its remaining business and operations for a sale. In addition, several employees that were previously laid off have been rehired to work in these limited operations.

23. On December 3, 2010, the Company and Best Buy executed the BB Agreement to resolve claims existing between the parties, including claims relating to the invoicing issues.

C. WARN Act Lawsuit

24. As a result of the Debtor's November 2 layoff, the New York State Department of Labor engaged in discussions with the Debtor relating to the layoff and the Debtor's compliance with the WARN Act. By numerous correspondence with the New York State Department of Labor, including a letter dated January 7, 2011 from Brown Rudnick with a supporting affidavit from Totaro, the Debtor provided information demonstrating that it satisfied the unforeseeable business exception under the WARN Act due to the fact that the November 2, 2010 layoffs "were caused by the unexpected and sudden loss of Partsearch's single largest customer, Best Buy."

25. Nonetheless, on November 24, 2010, Craig Wenzel, on behalf of himself and all others similarly situated, filed the WARN Act Lawsuit relating to the Debtor's November 2 layoff. The WARN Act Lawsuit is currently pending.

IV.
Debtor's Efforts To Sell its Business

26. Following the termination of the Best Buy relationship and the Debtor's engagement of Argus and Brown Rudnick, the Debtor commenced discussions with several parties relating to a potential sale of substantially all of the Debtor's assets (the "Sale"). In order to preserve the rapidly diminishing value of its business and prevent the attrition of certain key employees, the Debtor attempted to secure a favorable purchase offer as quickly as possible under the circumstances.

27. Since the inception of Argus's engagement with the Debtor, Argus has been focused on conducting a timely sales process of the Company. In order to effectively market the Company, Argus met with various key current and former personnel of the Debtor to review the Debtor's historical financials and marketing materials. Additionally, Argus used the Debtor's networked files to locate key information including contracts, historical financials, and management reports. Argus created a marketing presentation and organized key information into an online data room which was provided to potential investors.

28. On behalf of the Debtor, Argus reached out to twenty-four parties to determine their interest in pursuing a purchase of the assets of the Company. Thirteen of the addressed parties agreed to do further diligence and signed confidentiality agreements. The thirteen parties that executed confidentiality agreements were granted access to the marketing presentation as well as the online data room. Additionally, myself and Scott Dicus ("Dicus"), also from Argus, maintained ongoing dialogues with all of the interested parties. Of the thirteen interested parties, Argus received indications of interest from five parties, of which one was only related to obtaining the rights to the Partstore.com url. Of the remaining four potential investors who were interested in acquiring the operating assets of the Debtor, Argus continued dialogue with three of the potential purchasers, since the fourth submitted an offer which was well below the range

proposed by the other interested parties.

29. ELDIS, Inc. ("ELDIS") demonstrated the most interest in acquiring the Debtor's operating assets and ultimately provided the highest valued indication of interest. Argus arranged a site visit for ELDIS to meet with key personnel of the Debtor which was done at the Kingston Office from December 13 -15, 2010 and supervised by Dicus. Subsequent to the site visit, Argus continued to work through ELDIS's data requests which culminated in ELDIS agreeing to become the stalking horse bidder.

30. The Debtor entered into a certain Asset Purchase Agreement (the "APA") on January 26, 2011 with ELDIS (the "Purchaser"). Certain assets were excluded from the Sale (the "Excluded Assets"), including cash and certain other working capital assets, and the Company is now pursuing an orderly liquidation of the Excluded Assets and any other assets through this Chapter 11 Case, for the benefit of all stakeholders. In addition, Argus has continued marketing the Debtor's assets and working with potential counter-bidders while negotiating the APA with ELDIS.

31. The material terms of the APA include the following:

Assets to Be Acquired	The Assets to be acquired by the Bidder will consist of substantially all assets of the Debtor's business as defined in Section 2.1 of the APA, including the Debtor's intellectual property assets and certain physical assets, but excluding certain assets set forth in Section 2.2 of the APA, which consist primarily of cash, accounts receivable, prepaid expenses and the Excluded Contracts.
Potential Contracts to Be Assumed and Assigned to the Successful Bidder(s)	Those executory contracts that are proposed to be assigned to the Purchaser pursuant to Section 365 of the Bankruptcy Code, if any, will be set forth on Schedule 2.1(a) to the APA (as such Schedule may be modified to add or delete executory contracts or unexpired leases at any time prior to Closing) (the "Assumed Contracts"). See APA, §§ 2.1(a) & 2.7.

Break-up Fee	The APA provides for a Break-Up Fee equal to One Hundred Thousand Dollars ($100,000) if the Debtor enters into an Alternative Transaction or terminates the APA to pursue an Alternative Transaction. The Break-Up Fee is payable from the proceeds from or deposit made in such Alternative Transaction or if the Debtor, at the time payment is due, is not authorized to retain such deposit, from funds in the Chapter 11 Case. See APA, § 8.3.
Good Faith Deposit and Liquidated Damages	The APA provides that the good faith deposit of Three Hundred Thousand Dollars ($300,000) will be forfeited by the Purchaser if the APA is terminated in accordance with the APA and the Purchaser is in material breach of the APA at the time of termination. See APA, § 9.2. The APA provides that if the APA is terminated in accordance with the APA as a result of the Seller being in material breach of the APA, the Seller is required to pay Three Hundred Thousand Dollars ($300,000) to Purchaser as liquidated damages. See APA, § 9.5.
Closing	The Closing of the Sale will be subject to closing conditions typical and customary to a transaction of this kind, including the entry of the Sale Procedures Order by February 14, 2011 and the entry into the Sale Order by March 14, 2011. The Closing must occur by March 31, 2011. See APA, Article 6.

32. Pursuant to the *Debtor's Motion for Orders (I) (A) Authorizing and Approving Auction and Sale Procedures in Connection with the Debtor's Asset Sale, Including Stalking Horse Bid Protections, (B) Approving the Form and Manner of Notice of the Asset Sale and the Hearing Thereon, (C) Approving the Form and Manner of the Contract Notice and the Assumption Notice, (D) Establishing Dates and Deadlines Relating to Bidding and Asset Sale Approval, and (E) Granting Related Relief; and (II) Authorizing and Approving (A) the Sale of the Debtor's Assets Free and Clear of Liens, Claims, Encumbrances and Other Interests, (B) Entry onto and Performance Under The Asset Purchase Agreement and Related Agreements, (C) the Assumption and Assignment of Certain Executory Contracts, and (D) Related Relief* filed contemporaneously herewith, the Debtor requests the Court's approval of and authority to enter

into the APA.

V.
Facts Relevant to the First Day Pleadings

33. I have reviewed each of the First Day Pleadings filed contemporaneously herewith (including the exhibits thereto) and incorporate by reference the factual statements set forth in the First Day Pleadings. I believe that the relief sought therein is necessary to avoid immediate and irreparable harm to the Debtor's chapter 11 estate by: (i) retaining the professionals needed to guide the Debtor through the bankruptcy process; (ii) maximizing and preserving the remaining value of the Debtor's chapter 11 estate, including by maintaining certain administrative and business operations pending the contemplated sale, for distribution to stakeholders; (iii) facilitating the sale of substantially all of the Debtor's assets pursuant to an orderly Section 363 sale process; (iv) establishing procedures for the otherwise orderly wind-down and liquidation of the Debtor's remaining business and assets through the efficient administration of the Chapter 11 Case; and (v) avoiding certain adverse consequences that otherwise might result from the commencement of the Chapter 11 Case. I believe that the relief sought in each of the First Day Pleadings is tailored to meet the goals set forth above and, ultimately, will be critical to the Debtor's ability to sell its assets and achieve an orderly wind-down and liquidation.

A. Retention of Professionals and Appointment of Officers

34. As more specifically described in the respective retention applications, the Debtor is seeking the retention of certain professionals (the "Professionals") and the appointment of certain officers (the "Officers") to represent and assist the Debtor in connection with the Chapter 11 Case. Some of these Professionals and Officers have been intimately involved with the negotiation and development of the APA and the Plan and include, among others: (i) Brown

Rudnick, as counsel for the Debtor; and (ii) Lawton W. Bloom, as Chief Restructuring Officer to the Debtor and Peter Sullivan and Scott Dicus, each as an Assistant Restructuring Officer to the Debtor, all of Argus. The Debtor represents that the retention of such Professionals and the appointment of such Officers is in the best interests of the Debtor's estate, its creditors and all parties-in-interest in seeking the sale of substantially all of its assets and the most efficient and orderly wind-down and liquidation of the Debtor's remaining operations and assets.

B. Motion to Establish Professional Fee Procedures and Interim Compensation

35. In an effort to enable all parties to monitor the costs of administration, enable the maintenance of a more level cash flow availability and implement efficient cash management, the Debtor has developed procedures for interim compensation and reimbursement of expenses of the Professionals and the professionals and members of any official committee appointed in the Chapter 11 Case, if any. As more specifically identified in the motion, the Debtor is seeking an order establishing certain procedures with which all Professionals would be required to comply in seeking compensation and reimbursement.

C. Motion to Use Existing Bank Accounts, Cash Management System, and Business Forms

36. As of the Chapter 11 Petition Date, the Debtor had in place certain bank accounts supporting its remaining business and administrative operations (the "Cash Management System"). Contemporaneously with the filing of the Chapter 11 Petition, the Debtor filed a motion for an order authorizing the Debtor to continue to use its existing bank accounts, Cash Management System and business forms.

37. In the ordinary course of business within its administrative operations and in connection with the Debtor's efforts to effectuate the Sale and the orderly wind-down and liquidation of the Debtor's remaining assets, the Debtor maintains and actively uses seven (7)

bank accounts and one letter of credit (collectively, the "Bank Accounts"). These Bank Accounts are maintained at Bank of America, N.A., JP Morgan Chase, N.A. and TD Bank (Canada) and include two (2) operating accounts, three (3) merchant accounts, one (1) payroll account, one (1) money market account and the letter of credit. As more specifically identified in the motion, each of these accounts serves a particular purpose for the Debtor, including but not limited to, accounting and payroll, processing credit card transactions, making wire payments and receiving customer payments. In addition, in connection with the Debtor's efforts to effectuate the Sale and the orderly wind-down and liquidation of the Debtor's remaining assets, the Debtor uses a variety of business forms. Such business forms were in existence before the Chapter 11 Petition Date.

38. Continued use of the existing Bank Accounts, Cash Management System and business forms is essential to facilitate the Debtor's smooth and orderly transition into chapter 11, effectuate the sale of substantially all of its assets and expedite its orderly wind-down and liquidation. Requiring the Debtor to adopt and implement new bank accounts and business forms would likely increase the costs of the Chapter 11 Case, primarily as a result of the significant time and expense associated with the transition to such new accounts and forms. Thus, requiring the Debtor to cancel its existing Bank Accounts and establish new accounts or requiring the Debtor to create new business forms would only frustrate the Debtor's efforts to sell its assets and liquidate expeditiously.

D. Motion to Authorize the Rejection of A Certain Unexpired Lease of Non-Residential Real Property

39. The Debtor is party to a non-residential, unexpired lease, pursuant to that certain Agreement of Sublease (the "Lease"), dated May 4, 2006, between Reed Elsevier Inc., as sublandlord ("the Park Avenue Sublandlord"), and the Company, as subtenant, relating to a

portion of certain non-residential property located at 360 Park Avenue South, 15th Floor, New York, New York 10003 (the "Park Avenue Premises"). Contemporaneously with the filing of the Chapter 11 Petition, the Debtor filed a motion to reject the Lease. I have been extensively involved with the Debtor's real property leases, and any issues related thereto, including, but not limited to, securing the temporary use of office space and negotiating modifications of rental payments.

40. Based on my review of the Debtor's books and records and my personal knowledge, the Park Avenue Premises were abandoned and surrendered no later than January 14, 2011. In or around mid-December of 2010, the Company informed a representative of the Park Avenue Sublandlord that it was abandoning the Park Avenue Premises effective immediately, but would be leaving a few items of property on the premises pending final arrangements to sell or move such items. On or before January 14, 2011, the Company removed its final item of property, a copy machine, from the Park Avenue Premises. Also on January 14, I informed a representative of the Park Avenue Sublandlord that the Company had abandoned and surrendered the Park Avenue Premises.

41. The Debtor has determined that the Lease constitutes a burden on its chapter 11 estate and is not necessary to effectuate the Sale, to wind-down the Debtor's remaining operations, if any, or to administer the Debtor's remaining assets. As set forth more fully in its motion, the Debtor has determined that rejection of the Lease is in the best interest of the estate and its creditors.

VI.
Certain Information Required By Local Bankruptcy Rule 1007-2

42. Pursuant to Rule 1007(d) of the Federal Rules of Bankruptcy Procedure and Local

Bankruptcy Rule 1007-2, this Affidavit provides the following information:[5]

43. Set forth in the attached Schedule 1 is a list of contact information for holders of the top thirty (30) largest unsecured claims against the Debtor.

44. Set forth in the attached Schedule 2 is a summary of the assets and liabilities of the Debtor as of December 31, 2010;

45. Set forth in the attached Schedule 3 is a list of the premises owned, leased or held under other arrangement from which the Debtor operates its business.

46. Set forth in the attached Schedule 4 is a list of the locations of the Debtor's substantial assets and books and records, and the nature, location and value of any assets held by the Debtor outside the territorial limits of the United States.

47. Set forth in the attached Schedule 5 is a list identifying the nature and present status of each action or proceeding, pending or threatened, against the Debtor or its property, where a judgment against the Debtor or a seizure of its property may be imminent.

48. Set forth in the attached Schedule 6 is a list of the names of the individuals who comprise the Debtor's existing senior management, their tenure with the Debtor, and a brief summary of their relevant responsibilities and experience.

49. Set forth in the attached Schedule 7 is a list identifying the estimated amount of the gross weekly payroll to employees (exclusive of officers and directors), and the estimated

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5 Local Bankruptcy Rule 1007-2(a)(2) is not applicable because this Chapter 11 Case was not originally commenced under chapter 7 or chapter 13; Local Bankruptcy Rule 1007-2(a)(3) is not yet applicable because no committee has yet been organized in this Chapter 11 Case; Local Bankruptcy Rule 1007-2(a)(5) is not applicable because there are no secured claims in this Chapter 11 Case; Local Bankruptcy Rule 1007-2(a)(7) is not applicable because the Debtor has no publicly held securities; and Local Bankruptcy Rule 1007-2(a)(8) is not applicable because the Debtor has no property in the possession or custody of any custodian, public officer, mortgagee, ledge, assignee of rents, or secured creditor, or agent for any such entity.

amount to be paid to officers, directors and financial and business consultants retained by the Debtor, for the thirty (30) day period following the filing of the filing of the Debtor's Chapter 11 Petition.

50. Set forth in the attached Schedule 8 is a list of the estimated cash receipts and disbursements, net cash gain and loss, and unpaid obligations and receivables expected to accrue but remaining unpaid (other than professional fees), for the thirty (30) day period following the filing of the Debtor's Chapter 11 Petition.

51. Notwithstanding anything to the contrary contained in this Affidavit or any Schedule attached hereto, nothing contained herein or in any attached Schedule is intended to be, or shall be construed as, an admission with respect to the liability for, the amount of, the enforceability of or the validity of any claim. The Debtor specifically reserves the right to challenge any claim on any basis.

Dated: New York, New York
January 27, 2011

Lawton W. Bloom

SWORN to before me this
27th day of January, 2011

Notary Public

VENISHA S BRIJMOHAN
Notary Public - State of New York
No. 01BR6218426
Qualified in Westchester County
My Commission Expires Mar. 08, 2014

Schedule 1

List of Creditors Holding 30 Largest Unsecured Claims

Pursuant to Local Bankruptcy Rule 1007-2(a)(4), the following is a list of the holders of the 30 largest unsecured claims.

Name of creditor and complete mailing address including zip code	Name, telephone number, and complete mailing address, including zip code, of employee, agent or department of creditor familiar with claim who may be contacted	Nature of claim [trade debt, bank loan, government contract, etc.]	Indicate if claim is contingent, unliquidated, disputed or subject to setoff	Amount of claim [if secured also state value of security]
Best Buy Co., Inc. 7601 Penn Avenue South Richfield, MN 55423-3645	Thomas R. Harris Tel: 612-291-4833 Fax: 612-292-2323	Contract Party		5,949,120.61
Wilson Sonsini Goodrich & Rosati 1700 K Street, NW Washington, D.C. 20006 Attn: Mark R. Fitzgerald, Esq.	Mark R. Fitzgerald, Esq. Tel.: 202-973-8800 Fax: 202-973-8899	Trade Debt		1,010,681.47
Herman Panson Electronics P.O. Box 52-2856 Miami, FL 33152-2856	Luis Feliciano Tel: 305-392-3360 Fax: 305-392-3360	Trade Debt		904,552.26
Fox International Electronics 23600 Aurora Road Bedford Heights, OH 44146 Attn: Nicholas Zdolshek, Accounts Receivable Tel: 216-454-1001 x8527 Fax: 216-454-0276	Michael E. Siegel, Esq. Livingston, Patterson, Strickland & Siegel, P.A. 46 N. Washington Blvd Sarasota, FL 34236 Tel.: (941) 365-0550 Fax: (941) 366-0826 msiegel@lpspa.com	Trade Debt		497,217.86
Nexicore Services 3949 Heritage Oak Ct. Simi Valley, CA 93063	Danielle Sanders Tel: 805-306-2623 Fax: 805-306-2623	Trade Debt		453,005.96
UPS P.O. Box 7247-0244 Philadelphia, PA 19170	Alden Hawkes Tel: 917-364-1123 ahawkes@ups.com	Trade Debt		406,475.01
BTI Corporation 16500 Gale Avenue City of Industry, CA 91745 Attn: David Sarazen, VP	Joseph M. Vann, Esq. Cohen Tauber Spievack & Wagner, PC 420 Lexington Ave. New York, NY 10170 Tel.: (212) 586-5800 Fax: (212) 586-5095 jvann@ctswlaw.com	Trade Debt		405,005.75

Name of creditor and complete mailing address including zip code	Name, telephone number, and complete mailing address, including zip code, of employee, agent or department of creditor familiar with claim who may be contacted	Nature of claim [trade debt, bank loan, government contract, etc.]	Indicate if claim is contingent, unliquidated, disputed or subject to setoff	Amount of claim [if secured also state value of security]
Arclyte Technologies 953 S. Meridian Ave. Alhambra, CA 91803	George Ito Tel: 626-281-2220 ext 105 Fax: 616-281-2223	Trade Debt		359,966.53
Appliance Parts Depot 4754 Almond Ave. Dallas, TX 75247 Attn: Lee Stobaugh Tel: 800-841-4060 x204 Fax: 214-905-2057	Aaron Brown, Esq. Goldman, Walker and DiMarco 6303 E. Tanque Verde Suite 110 Tucson, AZ 85715 abrown@gwdaz.com	Trade Debt		287,070.55
Marcone Appliance B 177, P.O. Box 790120 St. Louis, MO 63179-0120	David Cook Tel: 314-817-4423 Fax: 888-832-4948	Trade Debt		280,293.94
Google Inc. Dept. 33654 P.O. Box 39000 San Francisco, CA 94139	Misty Sass Tel: 650-214-1045 Fax: 650-253-8616	Trade Debt		183,359.20
Andrews Electronics 25158 Avenue Stanford Santa Clarita, CA 91355 Attn: Tordy Acker, CEO Tel: 661-257-7700 Fax: 661-257-8904	Joseph M. Vann, Esq. Cohen Tauber Spievack & Wagner, PC 420 Lexington Ave. New York, NY 10170 Tel.: (212) 586-5800 Fax: (212) 586-5095 jvann@ctswlaw.com	Trade Debt		169,339.88
Ingram Micro, Inc. PO Box 415034 Boston, MA 02241-5034	Kathy Ratajczak Tel: 716-616-4000 x63186 Fax: 716-565-8480	Trade Debt		163,133.58
Reliable Parts P.O. Box 58544 Tukwila, WA 98138	Meagan Evans Tel: 206-575-8826 Fax: 206-575-0910	Trade Debt		163,116.24
MCM Attn: Paula Salyers 650 Congress Park Drive Centerville, OH 45459	Paula Salyers Tel: 937-424-1278 Fax: 937-433-4518	Trade Debt		125,015.09
Micro Products Distributors, Inc. a/k/a HardSoft Solutions, Inc. 8950 NW 27th Street Miami, FL 33172 Attna; Raul Arrarte Tel: 786-845-5732 Fax: 305-477-3214	Joseph M. Vann, Esq. Cohen Tauber Spievack & Wagner, PC 420 Lexington Ave. New York, NY 10170 Tel.: (212) 586-5800 Fax: (212) 586-5095 jvann@ctswlaw.com	Trade Debt		117,930.92
Encompass Parts, Inc 1306 Continental Dr Abingdon, MD 21009-2334	Mary Earle Tel: 800-638-3328 x 1229 Fax: 800-888-3293	Trade Debt		114,256.18

Name of creditor and complete mailing address including zip code	Name, telephone number, and complete mailing address, including zip code, of employee, agent or department of creditor familiar with claim who may be contacted	Nature of claim [trade debt, bank loan, government contract, etc.]	Indicate if claim is contingent, unliquidated, disputed or subject to setoff	Amount of claim [if secured also state value of security]
Best Buy.Com Corporate Campus Cash Receipts SNCR 7601 Penn Ave. South Richfield, MN 55423-3645	Attn: Erika Larmon Erika.larmon@bestbuy.com	Trade Debt		71,463.20
ShopJimmy.Com 9201 Penn Ave S, Suite 40 Bloomington, MN 55431	Emily Johnson Tel: 952-881-6492 Fax: 952-884-5028	Trade Debt		57,373.46
Portable Components One Quality Place Edison, NJ 08820	Jolie Drescher Tel: 732-494-2111 Fax: 732-494-0011	Trade Debt		52,212.68
AT&T Corp. PO Box 5019 Carol Stream, IL 60197-5019 Attn: Accounts Receivable	AT&T Corp. 55 Corporate Drive Bridgewater, NJ 08807 Tel.: 800 414-4099 Fax: 888-826-0132	Trade Debt		50,290.95
PTS Electronics 2000 Liberty Dr. Bloomington, IN 47403	Jeff Simmonds Tel: 812-824-9331 x278 Fax: 812-824-3622	Trade Debt		47,355.59
CoreCentric Solutions, Inc. F/K/A CGI PO Box 3516 Oak Brook, IL 60523-3516	April Lanzara Tel: 630-216-5036 Fax: 630-216-5060	Trade Debt		41,582.18
Best Buy Co., Inc. Cash Receipts/Svc. Accounting 7601 Penn Ave South Richfield, MN 55423	Thomas R. Harris Tel: 612-291-4833 Fax: 612-292-2323	Trade Debt		41,207.25
BDO Seidman, LLP 401 Broadhollow Rd., Suite 201 Melville, NY 11747 Attn: Laura Michaels	Laura Michaels Tel: 631-927-1197 Fax: 631-501-1885	Trade Debt		40,748.00
Blue Raven Technology, Inc. P.O. Box 842500 Boston, MA 02284-2500	Carla Traskon, Controller Tel : 978-203-1188 Fax: 978-661-7688	Trade Debt		35,341.66
Microsoft adCenter c/o Microsoft Corporation 1401 Elm Street, 5th Floor Lockbox #847543 Dallas, TX 75202	Stephanie Stein Tel: 425-703-8763 Fax: 425-207-8942	Trade Debt		32,439.58
TechCity 22,23 & 24,LLC 300 Enterprise Drive Kingston, NY 12401	Daniel Wieneke Tel: 845-383-0152 Fax: 845-383-0135	Contract Party		30,318.75
Reed Business Information Reed Elsevier Inc. P.O. Box 26041 New York, NY 10087-6041	Sue Caffrey Tel: 908-236-7477 Fax: 212-309-8187	Contract Party - subject to potential rejection of lease claim		Unknown

Name of creditor and complete mailing address including zip code	Name, telephone number, and complete mailing address, including zip code, of employee, agent or department of creditor familiar with claim who may be contacted	Nature of claim [trade debt, bank loan, government contract, etc.]	Indicate if claim is contingent, unliquidated, disputed or subject to setoff	Amount of claim [if secured also state value of security]
Craig Wenzel, Putative Class Representative c/o Lankenau & Miller, LLP Attn: Stuart J. Miller, Esq. 132 Nassau Street, Suite 423 New York, NY 10038	Stuart J. Miller, Esq. Tel.: 212-581-5003 Fax: 212-581-2122	Litigation Party	Contingent, unliquidated and disputed	Unknown

Schedule 2

Summary of the Debtor's Assets and Liabilities

Balance sheet as of 12/31/10

Total Assets: $4 million

Total Liabilities: $13 million

Schedule 3

List of Owned and Leased Premises From Which the Debtor Operates Its Business

Pursuant to Local Bankruptcy Rule 1007-2(a)(9), the following lists the property or premises owned, leased or held under other arrangements from which the Debtor operates its business.

708 Third Avenue 5th Floor New York, NY 10036	Lease of non-residential real property
204 Enterprise Drive Kingston, NY 12401-7003	Lease of non-residential real property

Schedule 4

Location of the Debtor's Substantial Assets and Books and Records and Nature, Location and Value of Assets Held Outside the United States

Pursuant to Local Bankruptcy Rule 1007-2(a)(10), the following lists the locations of the Debtor's substantial assets, the location of its books and records, and the nature, location and value of any assets held by the Debtor outside the territorial limits of the United States.

Partsearch Technologies, Inc. 708 Third Avenue 5th Floor New York, NY 10017	Books and Records
Partsearch Technologies, Inc. 204 Enterprise Drive Kingston, NY 12401	Assets and Books and Records
Partsearch Technologies, Inc. c/o Net Access Corporation Cedar Knolls / Datacenter & Corporate Offices 9 Wing Drive Cedar Knolls, NJ 07927	Assets

Schedule 5

Litigation

Pursuant to Local Bankruptcy Rule 1007-2(a)(11), the following is a list of the nature and present status of each action or proceeding, pending or threatened, against the Debtor or its properties where a judgment against the Debtor or a seizure of its property may be imminent.

Action or Proceeding	Nature of Proceeding	Court	Status
Global Transol, LLC v. Partsearch Technologies, Inc.; Index No. 38220-10	Collection Action	City Court: City of Kingston, County of Ulster, State of New York	Pending
Craig Wenzel v. Partsearch Technologies, Inc.; Case No. 1:10-cv-08903-VM	Fair Labor Standards Act (WARN Action)	United States District Court for the Southern District of New York	Pending
George L. Miller, in his capacity as Chapter 7 Trustee of Tweeter Opco, LLC, et al. v. Partsearch Technologies, Inc.; Chapter 7 Case No. 08-12646; Adv. Pro. No. 10-54090	547 Preference Action	United States Bankruptcy Court for the District of Delaware	Pending
Fox International Ltd., Inc. v. Partsearch Technologies, Inc. Case No. Unknown	Collection and Breach of Contract Action	Cuyahoga County, Ohio Court of Common Pleas	Pending
In re: Partsearch Technologies, Inc. Involuntary Chapter 7 Case No. 11-10261-MG	Involuntary Chapter 7 Case	United States Bankruptcy Court for the Southern District of New York	Filed 1/25/11

Schedule 6

Senior Management

Pursuant to Local Bankruptcy Rule 1007-2(a)(12), the following provides the names of the individuals who comprise the Debtor's existing senior management and a brief summary of their relevant responsibilities and experience.

Name/Position	Prior Experience/Responsibilities
Michael Dering, Director	Mr. Dering joined the Debtor's Board of Directors in May 2009 and was appointed as Chairman of the Board in March 2010. In addition, he acted as interim Chief Executive Officer for the Debtor from November 2009 to March 2010. Mr Dering served as President and CEO of ServiceBench a "Service Management On-Demand" solutions company. Prior to ServiceBench, he served as President and CEO of CrossAccess Corporation, a multi-national venture-funded software infrastructure company. Prior to joining CrossAccess, Mr. Dering served as President and CEO of two publicly traded Bell & Howell companies. Previously, Mr. Dering had a 20-year career at TAB Products Company ("TAB"), a $170 million publicly traded manufacturer of information storage and retrieval solutions for office environments. He initially served in a variety of sales and marketing positions, and, in his last five years, was TAB's President and CEO, helping turn around the company and making it the dominant industry leader.
Lawton W. Bloom, Chief Restructuring Officer	Mr. Bloom is a principal of Argus and has worked with management teams, creditors, creditors' committees and boards of directors in all aspects of distressed businesses, operational re-engineering and financial restructuring and liquidation. Mr. Bloom first joined Argus in 1999. With Argus, he has focused on interim management, asset divestitures, equity placements and turnaround and financial advisory services engagements in a variety of industries including construction, manufacturing, publishing, debt collections, telecommunications, and industrial contracting.
Peter Sullivan, Assistant Restructuring Officer	Mr. Sullivan has significant experience as a senior financial consultant and has been employed by Argus since 2002. While with Argus, he has worked on numerous assignments across a variety of industries such as software consulting, insurance administration, thermal and paper coating manufacturing, office furniture, retail lumber and industrial contracting. Mr. Sullivan has been working closely with the Debtor during the period prior to the Chapter 11

	Petition Date.
Scott Dicus, Assistant Restructuring Officer	Mr. Dicus has over ten years' experience in finance, accounting and operations and has been employed by Argus since 2010. While at Argus he has worked in a variety of industries including publishing, debt collections, manufacturing, and construction. Mr. Dicus has also been working closely with the Debtor during the prepetition period.

Schedule 7

Payroll

Pursuant to Local Rule 1007-2(b)(1)-(2)(A) and (C), the following provides the estimated amount of weekly payroll to the Debtor's employees (not including officers, directors and stockholders) and the estimated amount to be paid to officers, stockholders, directors and financial and business consultants retained by the Debtor, for the 30-day period following the filing of the Chapter 11 Petition.

Payments to Employees (Not including Officers, Directors and Stockholders)	$31,000 (bi-monthly)
Payments to Officers, Stockholders and Directors	$10,000
Payments to Financial and Business Consultants	$160,000

Schedule 8

Estimated Cash Receipts and Disbursements, Net Cash Gain or Loss, and Obligations and Receivables Expected to Accrue But Remaining Unpaid

Pursuant to Local Rule 1007-2(b)(3), the following provides, for the thirty (30) day period following the filing of the Chapter 11 Petition, the estimated cash receipts and disbursements, net cash gain or loss, and obligations and receivables expected to accrue that remain unpaid, other than professional fees.

Cash Receipts	$380,000 (approximately)
Cash Disbursements	$550,000 (excluding professional fees)
Net Cash Gain of (Loss)	($170,000)
Unpaid obligations	$45,000 (sales tax of $21,000 and other of $24,000)
Unpaid Receivables	$30,000 (approximately)